



**IDAHO
PUBLIC UTILITIES
Commission**

C.L. "Butch" Otter, Governor

P.O. Box 83720, Boise, Idaho 83720-0074

Received & Inspected

DEC 20 2010

December 14, 2010

FCC Mail Room

Jim D. Kempton, President
Marsha H. Smith, Commissioner
Mack A. Redford, Commissioner

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW, Room TW—A306
Washington, DC 20554

Karen Majcher
Vice President, High Cost & Low Income Division
Universal Service Administrative Company
2000 L Street, NW, Suite 200
Washington, DC 20036

RE: CC Docket 96-45—State ETC Designation and Certification for Federal High Cost Support.

Dear Ms. Dortch and Ms. Majcher:

This letter is to inform you that on November, 2, 2010, the Idaho Public Utilities Commission approved Gold Star Communications, LLC's (Gold Star) application for ETC designation for purposes of federal universal support. Commission Order No. 32101 is attached along with Exhibit C1 of the Gold Star application that identifies all of the rural and non-rural wire centers approved by the Commission for ETC designation. Each wire center listed will be included in its entirety.

The approved ETC service areas include the entire study areas of each rural incumbent local exchange carrier. Thus, no redefinition of study areas is required. The study area for Gold Star is 479011.

In the ETC application and pursuant to Section 254(e), Gold Star states that the Company will use the high-cost support it receives to improve its infrastructure in rural areas.

Please contact me if you have any questions regarding Gold Star's ETC designation.

Sincerely,

Grace Seaman
Utilities Analyst
208.334.0352

Enclosure: Commission Order No. 32101
Exhibit C1

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CLARCODE

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF GOLD STAR COMMUNICATIONS, LLC)	CASE NO. GOL-T-10-01
FOR DESIGNATION AS AN ELIGIBLE)	
TELECOMMUNICATIONS CARRIER)	ORDER NO. 32101
)	

On June 8, 2010, Gold Star Communications, LLC filed an Application seeking designation as an eligible telecommunications carrier (ETC) pursuant to the federal Telecommunications Act and this Commission's Order No. 29841. 47 U.S.C. § 214(e)(1-2); 47 C.F.R. § 54.201. Gold Star is a commercial mobile radio services (CMRS) carrier providing mobile wireless services and conducts business as "Silver Star Wireless." Designation as an ETC would allow Gold Star to receive monetary support from the federal Universal Service Fund (USF) and to participate in the federal "Lifeline" program.¹

On September 9, 2010, the Commission issued Order No. 32066 soliciting comment in response to Gold Star's ETC Application. According to the Order, comments in the Modified Procedure docket were to be submitted no later than September 30, 2010. The only comments submitted were filed by the Commission Staff. Based upon our review of the Application and the comments, we grant Gold Star's request for ETC designation.

APPLICATION

Gold Star is a "full service" wireless carrier that provides universal services throughout its licensed service area using its own network infrastructure. Application at 2. The Company is currently licensed to serve two "basic trading areas" (BTAs) in Idaho: BTA 202 (Idaho Falls) and BTA 353 (Pocatello). Gold Star has entered into a lease arrangement with Syringa Wireless, LLC for use of Syringa's wireless spectrum in the areas of Wayan and the Smokey Canyon Mine owned by the J.R. Simplot Company. Gold Star is authorized to provide wireless service under its two BTAs in the following Idaho counties: Bonneville, Teton, Madison, Bingham, Butte, Custer, Lemhi, Jefferson, and Clark. *Id.*

¹ The Federal Communications Commission's Lifeline program is intended to promote universal service by using USF revenues to make telecommunications service more affordable. Idaho participates in the residential Lifeline program pursuant to *Idaho Code* § 56-901 and Order No. 21713.

The Company proposes to deliver ETC services in Teton County, eastern and northern Caribou County, and eastern Bonneville County served by two incumbent local exchange carriers (ILECs): Silver Star Telephone Company; and Columbine Telephone (dba Teton Telecom). Silver Star serves the Freedom, Irwin, and Wayan wire centers, and Columbine serves the Driggs wire center.

Gold Star's Application states that it satisfies all of the statutory and regulatory requirements for ETC designation. Gold Star asserts that it will offer the services required for carriers to be eligible for federal USF funding, including: single-party voice grade access; local calling; multi-frequency signaling; access to 911 emergency services; long-distance and directory assistance services; toll blocking; and the ability to remain functional in emergency situations. Gold Star requests that it be designated as eligible to receive all available supports from the federal USF including support for rural, insular and high-cost areas and low-income customers in the proposed service area. *Id.* Gold Star further asserts that it will comply with all applicable Idaho service quality standards and consumer protection rules, as well as those standards established by the Cellular Telephone Industry Association (CTIA) consumer code. Exh. H.

Gold Star insists that granting its ETC designation is in the public interest because its universal service offering will provide consumers in rural, eastern Idaho "with the benefits of increased competitive choice and quality service . . . including high-speed data transmission capabilities." Application at 14-15. The carrier further states that designation as an ETC will have "a nominal impact on the federal [USF] if calculated using the FCC's current 'identical support' rule."² *Id.* at 18. Gold Star insists that it will not engage in "cream skimming" and that it will serve all customers in the proposed area where it is able to provide wireless service regardless of population densities. *Id.* at 17-18.

STAFF COMMENTS

Staff recommended that the Commission approve Gold Star's Application for ETC designation. Comments at 11. Staff compared the Application with the federal and state criteria used to evaluate ETC applications. Staff reviewed the public interest standards of: (1) cost-

² The identical support rule awards federal high-cost USF support to competitive eligible communications carriers (CETC) based on the costs of the ILEC in whose territory the CETC seeks support, rather than on the CETC's own cost or some other basis. The FCC released the *Identical Support NPRM* (FCC 08-4) based, in part, on the conclusions reached in 2007 by the Federal-State Joint Board on Universal Support regarding the need to immediately control the growth of USF support in order to preserve and protect the future sustainability of the fund.

benefit analysis; (2) potential for cream skimming; (3) impact on the federal USF; and (4) state and federal precedent.

1. Cost-Benefit Analysis. While Staff does not advocate one communications technology over another, it recognizes that each technology has unique advantages and disadvantages depending upon the geography, demographics, and technological needs of the proposed service area. After reviewing the Application, Staff concluded that Gold Star's two-year network improvement plan "may be more cost-effective to implement for a wireless provider than a similar plan may be for the [landline] ILEC and, therefore, consumers will more likely see improved services." Comments at 5.

2. Cream Skimming. Gold Star is not seeking ETC designation in partial wire centers and is proposing to serve some of the more sparsely populated and more costly study areas in Idaho. *Id.* at 6. Staff observed that the list of wire centers proposed to be served by Gold Star include the entire service areas of both Silver Star and Columbine. Staff determined that Gold Star's proposal to serve all of the service areas avoids the appearance of cream skimming.

3. Impact on the USF. Gold Star asserts that its receipt of high-cost funds will have a minimal impact on the federal USF. Gold Star calculates that it might receive an estimated \$648,000 per year in USF support, which is less than 0.015% of the high-cost portion of the federal USF, assuming \$4.3 billion in high-cost support per year. *Id.* at 6. Staff expressed concern that the federal USF was not intended to provide equal funding for both the ILEC and an affiliate ETC operating in the same service area. This would be the case with Silver Star Telephone and Gold Star Communications. Staff specifically noted that the FCC imposed an interim cap on the amount of high-cost support that competitive ETCs (CETCs) may receive in each state. "All newly designated and existing CETCs in Idaho will share the high-cost USF support in the amount that was distributed to Idaho CETCs in March 2008." Comments at 10. Although there are some exceptions, Staff noted that the interim cap will remain in place until the FCC adopts comprehensive reform measures. *Id.*

Despite these concerns, Staff does recommend approval of this Application because Gold Star meets all of the statutory requirements for ETC designation. Withholding approval would deny rural consumers the benefit of the federal Lifeline program support as well as the different wireless services Gold Star intends to offer.

4. State and Federal Precedent. Staff noted that designating Gold Star as an ETC is consistent with prior Orders of both the FCC and this Commission. *Id.* at 7.

Staff also stated that Gold Star meets the seven ETC designation requirements set out in Appendix 1 to Order No. 29841.³ *Id.* at 9. In addition, Staff maintained that Gold Star's network improvement plan is in sufficient detail and appears reasonable. The Company provided detailed information in its network plan for 2010 and 2011. If "Gold Star is granted ETC designation, the annual submission of the Two-Year Network Improvement Plan and Progress Report will hold the Company accountable for making a reasonable effort to implement" the plan. *Id.* at 8.

In conclusion, Staff recommended that the Commission approve the ETC Application for Gold Star to serve in Teton County, eastern and northern Caribou County, and eastern Bonneville County.

DISCUSSION AND FINDINGS

Section 214(e)(2) of the federal Telecommunications Act provides that ETC designation shall be made for a geographic "service area" designated by the state commissions. After reviewing the Application and Staff's comments, we find that it is reasonable to grant Gold Star Communications ETC designation. More specifically, we find that Gold Star meets all the statutory ETC requirements as set out in Commission Order No. 29841. Designating Gold Star as an ETC for the rural service areas will provide competitive service options to recipients of the Idaho Telecommunications Service Assistance Program (ITSAP).

Although there is a business relationship between Gold Star and the two competing ILECs, we find that the public interest supports ETC designation. Gold Star would provide the same basic universal services currently offered by the competing wireline carrier but provide different features and functions that may be attractive to customers. We also observe that Gold Star supplied a detailed network improvement plan and provided adequate assurance that its services will remain functional in an emergency. The Company demonstrated an understanding of federal and state customer service requirements for ETC designation and has agreed to comply with the Commission's consumer protection standards and the consumer code established by the Cellular Telephone Industry Association.

³ These requirements include: common carrier status; offer universal services; advertise services; the ability to provide services; commitment to consumer protection; and prepare brochures that describe the different local service plans.

Based upon the record in this case, we find Gold Star meets all federal and state requirements to be granted ETC designation in the rural wire centers of Freedom, Irwin, Wayan, and Driggs. Providing universal services to rural residents of Teton County, eastern and northern Caribou County, and eastern Bonneville County will provide customers with a competitive alternative to wireline service.

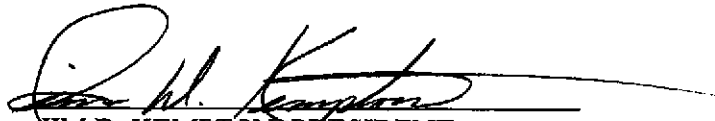
ORDER

IT IS HEREBY ORDERED that the Application of Gold Star Communications, LLC for designation as an eligible telecommunications carrier as set out in Exhibit B is granted.

IT IS FURTHER ORDERED that Gold Star is designated as an eligible telecommunications carrier in the three wire centers served by Silver Star Telephone (Freedom, Irwin, Wayan) and the Driggs wire center served by Columbine Telephone Company. Gold Star shall offer those designated universal services and be eligible for federal USF support when it serves qualifying low-income customers.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. GOL-T-10-01 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this / 5th
day of November 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

bis/O:GOL-T-10-01_dh2

Exhibit C(1)

ILEC WIRE CENTERS

SILVER STAR TELEPHONE CO., INC.

FREEDOM

IRWIN

WAYAN

WIRE CENTER CODE

FRDMWYXC

IRWINIDXC

WAYNIDXC

COLUMBINE TELEPHONE CO., INC

DRIGGS

DRGSIDMA